Government of Saskatchewan

Financial Statement
2004-2005

Southeast Regional College

Saskatchewan Centennial 2005

106-01206/

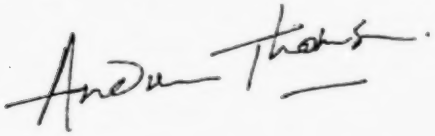
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Southeast Regional College for the year ending June 30, 2005.

Respectfully submitted,



Andrew Thomson
Minister of Learning

SOUTHEAST REGIONAL COLLEGE

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2005

Cogent
BUSINESS CONSULTING

AUDITOR'S REPORT

To the Directors of Southeast Regional College:

We have audited the statement of financial position of Southeast Regional College as at June 30, 2005, and the statements of operations, changes in net assets and cash flows for the year then ended. The College is responsible for preparing these Financial Statements for the Treasury Board's approval. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

In our opinion, these Financial Statements present fairly, in all material respects, the financial position of the College as at June 30, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Weyburn, Saskatchewan
October 14, 2005

Cogent Business Consulting
Certified General Accountants

CERTIFIED GENERAL ACCOUNTANTS
115 Second Street, Weyburn, Saskatchewan S4H 0T7
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Cogent Business Consulting is a trademark of Dillon Hillstead Melanson Consulting Group Inc.

Southeast Regional College
Statement of Management Responsibility

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are in compliance with the provisions of legislation and related authorities. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise because they include certain amounts based on estimates and judgments.

In fulfilling it responsibilities and recognizing the limits inherent in all systems, the management has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors of the College is responsible for the review and approval of the financial statements, and ensures management fulfils it financial reporting responsibilities. The Board meets with management and with the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Board with and without the presence of management.

The financial statements have been audited by Cogent Business Consulting Certified General Accountants. The Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of the presentation of the information in the financial statements.

President

Director, Finance and Administration

September 23, 2005

Statement 1

Southeast Regional College
Statement of Financial Position
as at June 30, 2005

	2005			2004
	Operating	Capital	Total	Total
Assets				
Current Assets				
Cash	$ 1,191,738	$ 170,000	**$ 1,361,738**	$ 1,496,900
Temporary investments	773,851	-	**773,851**	773,851
Accounts receivable (note 3)	541,239	-	**541,239**	530,594
Prepaid expenses	76,323	-	**76,323**	66,948
	2,583,151	170,000	**2,753,151**	2,868,293
Non-current Assets				
Capital assets (note 4)	-	1,214,888	**1,214,888**	1,083,639
Deferred rent (note 5)	-	45,000	**45,000**	60,000
	-	1,259,888	**1,259,888**	1,143,639
	$ 2,583,151	$ 1,429,888	**$ 4,013,039**	$ 4,011,932
Liabilities				
Current Liabilities				
Accrued salaries and benefits (note 6)	$ 190,669	$ -	**$ 190,669**	$ 207,848
Accounts payable & accrued liabilities	501,302	-	**501,302**	295,195
Unearned revenue (note 7)	674,354	-	**674,354**	802,178
Current portion of long term debt (note 8)	19,860	-	**19,860**	-
	1,386,185	-	**1,386,185**	1,305,221
Non-current Liabilities				
Long-term debt (note 8)	38,064	-	**38,064**	-
Net Assets				
Invested in capital assets	-	1,429,888	**1,429,888**	1,143,639
Internally restricted (note 9)	984,374	-	**984,374**	312,421
Unrestricted	174,528	-	**174,528**	1,250,651
	1,158,902	1,429,888	**2,588,790**	2,706,711
	$ 2,583,151	$ 1,429,888	**$ 4,013,039**	$ 4,011,932

Approved on behalf of the Board

Approved on behalf of the Board

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Statement of Operations
for the year ended June 30, 2005

	Budget 2005 (note 10)	2005	2004	2005	2004	2005	2004
	Operating			Capital		**Total**	Total
Revenues (Schedule 1)							
Provincial governmen.	$ 4,043,765	$ 4,024,687	$ 3,926,441	$ 195,000	$ 179,287	**$ 4,219,687**	$ 4,105,728
Federal government	-	36,503	34,132	-	-	**36,503**	34,132
Other revenue	1,955,083	2,108,606	2,157,283	16,043	20,903	**2,124,649**	2,178,186
Total revenues	5,998,848	6,169,796	6,117,856	211,043	200,190	**6,380,839**	6,318,046
Expenses (Schedule 2)							
Agency contracts	1,659,309	1,773,757	1,755,745	-	-	**1,773,757**	1,755,745
Amortization	265,177	-	-	323,371	266,254	**323,371**	266,254
Equipment	55,276	211,394	57,397	-	391	**211,394**	57,788
Facilities	306,107	393,243	283,106	-	5,900	**393,243**	289,006
Information technology	98,370	154,132	58,092	-	-	**154,132**	58,092
Operating (Schedule 3)	1,023,598	1,060,220	890,692	-	-	**1,060,220**	890,692
Personal services	2,601,236	2,582,643	2,596,119	-	-	**2,582,643**	2,596,119
Total expenses	6,009,073	6,175,389	5,641,151	323,371	272,545	**6,498,760**	5,913,696
(Deficiency) excess of revenues over expenses	$ (10,225)	$ (5,593)	$ 476,705	$ (112,328)	$ (72,355)	**$ (117,921)**	$ 404,350

The accompanying notes form an integral part of these financial statements

Statement 3

Southeast Regional College
Statement of Changes in Net Assets
for the year ended June 30, 2005

	2005			2005	2004
	Invested in capital assets	Restricted	Unrestricted	**Total**	Total
(Deficiency) excess of revenues over expenses	$ (112,328)	$ -	$ (5,593)	$ (117,921)	$ 404,350
Net assets, beginning of year	1,143,639	312,421	1,250,651	2,706,711	2,302,361
Interfund transfers:					
Invested in capital assets	398,577	(79,915)	(318,662)	-	-
Internally imposed restrictions (note 9)	-	751,868	(751,868)	-	-
Net assets, end of year	$ 1,429,888	$ 984,374	$ 174,528	$ 2,588,790	$ 2,706,711

Restricted details:

	Beginning Balances	To Restricted	From Restricted	Ending Balance
Internally Restricted				
Reserve contingency fund	$ 91,711	$ 443,000	19,546	515,165
Community chest fund	-	50,000	-	50,000
Information technology fund	59,744	133,868	49,652	143,960
Facility fund	120,006	125,000	10,717	234,289
Furniture and equipment fund	40,960	-	-	40,960
	312,421	751,868	79,915	984,374

The accompanying notes form an integral part of these financial statements

Statement 4

Southeast Regional College
Statement of Cash Flows
for the year ended June 30, 2005

	2005	2004
Cash flows from operating activities		
(Deficiency) excess of revenues over expenses	$ (117,921)	$ 404,350
Loss on disposal of assets	-	-
Amortization of capital assets	308,371	251,254
Amortization of deferred rent	15,000	15,000
	205,450	670,604
(Increase) in accounts receivable	(10,645)	(232,400)
(Increase) decrease in prepaid expenses	(9,375)	20,771
(Decrease) increase in accrued salaries and benefits	(17,179)	83,773
Increase in accounts payable and accrued liabilites	206,107	44,431
(Decrease) increase in unearned revenue	(127,824)	81,718
Increase in current portion of long term debt	19,860	-
Cash provided from operating activities	266,394	668,897
Cash flows from investing activities		
Purchase of capital assets	(439,620)	(437,772)
Cash used in investing activities	(439,620)	(437,772)
Cash flows from financing activities		
Financing of capital assets purchases	39,719	-
Repayment of long term debt	(1,655)	-
Cash provided from financing activities	38,064	-
Net (decrease) increase in cash and temporary investments	(135,162)	231,125
Cash and temporary investments, beginning of year	2,270,751	2,039,626
Cash and temporary investments, end of year	$ 2,135,589	$ 2,270,751

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Notes to the Financial Statements
for the year ended June 30, 2005

1. General Information

The Southeast Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The Board of the Southeast Regional College is responsible for administering and managing the educational affairs of the College in accordance with *The Regional Colleges Act* and its regulations.

The College's objectives are to promote the social, economic and cultural development of Southeastern Saskatchewan by facilitating learning options in partnership with community groups and businesses.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

a) Fund Accounting

Funds are a separate self-balancing set of accounts for each accounting entity established within the accounting system, which segregate the transactions of a particular activity, as follows:

i. The Operating Fund accounts for the organization's programs delivery and administrative activities. The fund reports unrestricted resources and restricted operating and program grants.

ii. The Capital Fund reports the assets, liabilities, revenues and expenses related to the capital assets of the College.

b) Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, in the year to which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, in the year received.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Investment income earned from the resources of internally restricted funds, is recorded as income in the Operating Fund.

Tuition, fee and contractual revenue is recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful lives of the assets, and recorded as an expense in the capital fund, for the categories listed below:

Leasehold improvements	over the life of the lease, to which they relate
Program equipment and office equipment	5 years
Computer hardware and systems software	3 years
Office furniture	10 years
Buildings	20 years

3. Accounts Receivable

Accounts receivable are composed of the following:

	2005	2004
	$	$
Saskatchewan Learning	**126,071**	178,560
Government of Saskatchewan-other	**9,078**	5,034
Other less allowance for doubtful accounts (2005-$22,762, 2004-$8,119)	**406,090**	347,000
	541,239	530,594

4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2005	Net Book Value 2004
	$	$	$	$
Buildings	81,198	8,415	72,783	76,615
Leasehold improvements	1,142,943	540,677	602,266	715,744
Program equipment	431,662	266,195	165,467	55,693
Computer hardware	1,275,490	925,253	350,237	204,304
Office equipment	26,644	24,860	1,784	3,418
Office furniture	87,493	65,142	22,351	27,865
System software	196,395	196,395	-	-
	3,241,825	2,026,936	1,214,888	1,083,639

5. Deferred Rent

The College entered into a lease for facilities for a period of 10 years in 1998. A condition of the lease required an advance payment of $150,000 to the lessor of the premises. The payment has been recorded as deferred rent and will be amortized over the term of the lease at the rate of $15,000 per year.

6. Accrued Salaries and Benefits

Accrued salaries and benefits of $190,669 (2004 - $207,848) representing retroactive salary adjustments and vacation earned by employees but not yet paid, has been calculated and recorded in the accounts.

7. Unearned Revenue

Unearned revenue represents restricted funding for operating grants and program payments received in the current period, for operations of the subsequent period as follows:

	2005 $	2004 $
Saskatchewan Learning	**644,315**	762,992
Other	**30,039**	39,186
	674,354	802,178

8. Long Term Debt

	2005 $	2004 $
General Motors Acceptance Corporation 0% 36 month financing secured by 2005 GMC Truck, monthly repayment terms of $1,654.96 commencing June 4, 2005	**57,924**	-
Less Current portion	**(19,860)**	-
	38,064	-

9. Restrictions on Net Assets

The Board of Governors have placed internal restrictions on certain net assets to be used for future expenditures as indicated on Statement 3. These internally restricted amounts are not available for other purposes without approval of the Board of Governors.

10. Budget Amounts

The budget amounts on the financial statements were prepared by Regional College Management and approved by the Board of Governors on May 13, 2004. The Minister approved the budget on June 24, 2004.

11. Related Party Transactions

Included in these financial statements are revenue and expenditures resulting from routine operating transactions conducted at agreed rates with various Crown controlled departments, agencies and corporations, with which the College is related. Account balances resulting from these transactions are included in the statements of financial position and operations. These transactions are settled on normal trade terms.

Transactions with related parties, incorporated in these financial statements, include the following:

Significant payments to related parties during the fiscal year:

	2005 $	2004 $
Association of Saskatchewan Regional Colleges	**11,250**	21,000
Saskatchewan Regional Colleges	**9,599**	3,629
SIAST	**713,308**	730,478
Saskatchewan Property Management	**47,872**	43,082
SaskTel	**66,043**	75,581
Sask Energy	**8,815**	7,818
Southeast Education Foundation	**30,200**	-
University of Regina	**85,299**	72,436

Significant receipts from related parties, with the exception of Saskatchewan Learning receipts that are detailed in Schedule 1, during the fiscal year:

	2005 $	2004 $
Apprenticeship and Trade Certification Commission	**15,000**	-
Saskatchewan Regional Colleges	**103,613**	76,266
Saskatchewan Government Insurance	**4,230**	3,132
Saskatchewan Housing Corporation	**1,648**	-
Sask Power	**105,492**	92,426
Sask Energy	**3,540**	2,290
SaskTel	**2,430**	6,186
SIAST	**82,380**	43,364
SCN	**2,000**	1,375
Southeast Education Foundation	**16,251**	-
University of Regina	**7,213**	5,999
Weyburn Housing Authority	**1,050**	-
Workers' Compensation Board	**88,886**	29,182

12. Financial Instruments

Cash, temporary investments, accounts receivable, accounts payable and accrued salaries and benefits are all short term in nature, and as such, their carrying value approximates fair value.

The College is exposed to credit risk from non-payment of accounts receivable. Credit risk is minimal for amounts due from Saskatchewan Learning, the Government of Canada, and other educational institutions. All other receivables are reported at estimated net realizable value.

13. Pension Plans

Employees of the College are members of the Teachers' Superannuation Plan, the Saskatchewan Teachers Retirement Plan or a defined contribution plan established by the Southeast Regional College. The College's obligations under these arrangements are limited to matching employee's contributions of the defined contribution plan established by the Southeast Regional College. Pension contributions for 2005 totaled $88,498 (2004 - $86,586).

14. Lease Commitments

The College has obligations for leases of office equipment and premises. Future minimum payments for the next five years total $724,842 with the following annual payments:

Year	$
2005-06	178,210
2006-07	174,633
2007-08	174,633
2008-09	99,458
2009-10	97,908

Schedule 1

Southeast Regional College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2005

	2005								2005	2005 Budget (note 10)	2004
	General	Skills Training		Basic Education		University	Services		Total	Total	Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Provincial Government											
Saskatchewan Learning	$ 1,994,606	$ -	$ -	$ -	$ -	$ -	$ -	$ -	**$ 1,994,606**	$ 1,983,725	$ 1,971,022
Base grant	-	1,224,606	-	441,820	-	-	-	30,000	**1,696,426**	1,553,540	1,703,676
Program payments	23,833	95,366	-	35,567	2,331	-	67,438	54,598	**279,133**	421,500	251,041
Other	2,018,439	1,319,972	-	477,387	2,331		67,438	84,598	**3,970,165**	3,958,765	3,925,739
	-	54,522	-	-	-	-	-	-	**54,522**	-	702
Other Provincial	2,018,439	1,374,494	-	477,387	2,331	-	67,438	84,598	**4,024,687**	3,958,765	3,926,441
Federal Government											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Seat purchases	-	-	-	-	-	-	-	-	-	-	-
Projects	-	-	-	-	-	-	-	36,503	**36,503**	-	34,132
Other	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	36,503	**36,503**	-	34,132
Other Revenue											
Admin recovery	-	-	-	-	-	-	-	-	-	-	-
Contracts	559	184,915	25,202	2,990	-	-	-	470	**214,136**	96,036	481,109
Interest	57,335	-	-	-	-	-	-	-	**57,335**	60,205	60,105
Rents	3,740	-	-	-	-	-	-	-	**3,740**	5,425	4,175
Resale Items	1,058	240,396	5,740	400	1,755	-	-	-	**249,349**	221,428	245,336
Tuitions	-	1,262,050	78,649	34,160	11,466	182,189	-	70	**1,568,584**	1,569,251	1,355,708
Other	15,462	-	-	-	-	-	-	-	**15,462**	2,738	10,850
	78,154	1,687,361	109,591	37,550	13,221	182,189	-	540	**2,108,606**	1,955,083	2,157,283
Total revenue	2,096,593	3,061,855	109,591	514,937	15,552	182,189	67,438	121,641	**6,169,796**	5,913,848	6,117,856
Total expenses (Schedule 2)	2,093,547	2,832,623	138,796	513,407	12,603	330,100	37,225	217,089	**6,175,389**	5,743,896	5,641,151
Excess (deficiency) of revenues over expenses	$ 3,047	$ 229,232	$ (29,205)	$ 1,530	$ 2,949	$ (147,911)	$ 30,213	$ (95,448)	**$ (5,593)**	$ 169,952	$ 476,705

The accompanying notes form an integral part of these financial statements

Southeast Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2005

	2005								2005	2005 Budget (note10)	2004
	General	Skills Training		Basic Education		University	Services				
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel	**Total**	Total	Total
Agency contracts	$ (2,006)	$ 1,496,678	$ 45,392	$ 6,060	$ 852	$ 224,064	$ -	$ 2,717	**$ 1,773,757**	$1,659,309	$ 1,755,745
Equipment	23,458	183,238	120	2,831	-	64	723	960	**211,394**	55,276	57,397
Facilities	222,700	121,494	488	32,265	1,491	9,653	-	5,152	**393,243**	306,107	283,106
Information technology	131,314	26,994	335	-	-	-	(4,511)		**154,132**	98,370	58,092
Operating (Schedule 3)	485,977	416,281	38,378	28,213	2,043	37,887	9,177	42,265	**1,060,220**	1,023,598	890,692
Personal services	1,232,104	587,938	54,083	444,038	8,217	58,432	31,836	165,995	**2,582,643**	2,601,236	2,596,119
	$ 2,093,547	$ 2,832,623	$ 138,796	$ 513,407	$ 12,603	$ 330,100	$ 37,225	$ 217,089	**$ 6,175,389**	$ 5,743,896	$ 5,641,151
			$ 2,971,419		$ 526,010			$ 254,314			

The accompanying notes form an integral part of these financial statements

Schedule 3

Southeast Regional College
Schedule of Operating Fund Expenses
for the year ended June 30, 2005

	2005 Total	2005 Budget (note 10) Total	2004 Total
Advertising	$ 122,759	$ 141,173	$ 86,149
Association fees & dues	12,380	9,115	9,625
Bad debts	22,201	9,150	4,450
Financial services	3,813	3,203	3,833
In-service	67,790	55,768	34,809
Insurance	21,123	14,000	13,569
Materials & supplies	155,262	190,733	157,779
Printing & copying	31,259	15,800	4,018
Professional services	90,175	87,915	85,326
Resale items	231,023	186,267	217,292
Subscriptions	1,743	2,460	1,762
Telephone/fax	76,092	89,810	73,829
Travel	199,441	186,419	169,783
Other	25,159	31,785	28,468
	$ 1,060,220	$ 1,023,598	$ 890,692

The accompanying notes form an integral part of these financial statements

Southeast Regional College

Personal Service Listing
for the year ended June 30, 2005
"Unaudited"

Listed are individuals **(including unionized employees)** who received $50,000 or more for salaries, wages, honorariums, and compensation for personal service.

		Total Personal Service Amount
Alexander	Sandy	$68,338.85
Binns	Brian	$51,384.00
Connery	Ila	$71,724.00
Dorcas	Heather	$59,361.50
Hamilton	Laura	$57,900.00
Jones	Judi	$80,757.18
Jordens	Trent	$51,422.40
Ludtke	Terry	$64,512.00
Melle	Karen	$51,422.40
Mickleborough	Graham	$91,716.00
Olson	Carole	$50,624.91
Stevenson	Gloria	$50,905.63
Windecker	Donna	$50,330.48
Zychkowski	Ed	$57,900.00
		$858,299.35

Southeast Regional College
Supplier Payment Listing
for the year ended June 30, 2005
"Unaudited"

Listed are payees who received $50,000 or more for the provision of goods and services, including office supplies, communications, contracts, and equipment.

AllStar Technologies Canada	$	382,841.65
Cowessess First Nation	$	51,518.54
Estevan Comp School Board	$	108,057.00
Grand & Toy	$	63,505.44
London Life Insurance Company	$	179,164.60
Petroleum Industry Training Services	$	111,089.89
Prairie Driver Training Service	$	223,679.20
Receiver General Of Canada	$	720,771.18
Redhead Equipment Ltd.	$	117,355.44
Saskatchewan Blue Cross	$	104,704.68
Sasktel CMR	$	72,212.40
Siast Palliser Campus	$	112,522.35
Siast Wascana Campus	$	472,125.56
Siast Woodland Campus	$	112,728.93
Southeast Education Foundation	$	60,950.00
St. John Ambulance	$	54,551.96
University of Regina	$	85,298.55
Weyburn Comp School Board	$	103,828.00
Total	$	3,136,905.37